



## Department Description

The Risk Management Department manages the City's self-insured Workers' Compensation Programs; coordinates public liability and loss control measures intended to forecast and reduce the City's exposure to risks; administers employee health and safety programs, employee benefits contracts, and programs including employee savings plans, the Long-Term Disability Plan, and the Employee Assistance Program (EAP).

The Department's mission is:

*To effectively prevent, control, and minimize the City's financial risk while providing optimum services to the City's employees and the public through the centralized administration of healthcare, safety, loss control, employee benefit, and other risk management programs*

## Goals and Objectives

Fiscal Year 2010 goals and objectives are reprinted here as they were originally adopted. They have not been updated to reflect mid-year budget reductions, as implementation of those changes will occur in phases during the remainder of Fiscal Year 2010, making it difficult to provide reliable projections of service levels and performance targets. Additionally, an effort is currently underway to update the City's Strategic Plan goals and objectives, which may also alter the City's objectives, strategies, and performance expectations for the remainder of Fiscal Year 2010 and beyond.

### **Goal 1: Maintain good stewardship over City finances**

In order for the City to operate in the most efficient and effective manner possible, the Department must serve as a good steward of the City's finances. It must promote cost effective strategies and continue to improve accountability within the Department. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Meet reserve policy targets
- Deliver services in a cost-effective manner

# Risk Management

## ***Goal 2: Reduce risk and loss exposure***

In the past, the City focused on reacting to issues that arose. It is the Department's goal to reduce risk and loss exposure and create a more proactive culture within the City. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Promote and encourage behaviors that minimize loss
- Promote the importance of employee safety
- Identify and monitor loss metrics

## ***Goal 3: Promote the highest ethical standards and behavior among employees***

It is the Department's goal to promote and enforce the City's ethical practices to ensure integrity, accountability, service, team support, openness, and diversity in the Department. The Department will move toward enhancing its accomplishment of the goal by focusing on the following objectives.

- Offer training to management and staff on ethical standards
- Management review of standards and ethical practices with staff on a regular basis

# Service Efforts and Accomplishments

A significant accomplishment for Risk Management was the successful transition of existing electronic system interfaces and business processes from the legacy systems to the new SAP Finance, Logistics, and Human Capital Management modules. Although the transition was successfully implemented, reporting requirements and business processes will continue to require changes to fully integrate the new system which presents additional challenges. A continuing challenge for Risk Management is striving to comply with the increasing complex mandates that involve several functions and business processes (e.g. Federal Medicare Set Aside reporting for Workers' Compensation and Public Liability claims and the State-mandated reporting of Workers' Compensation benefits for safety personnel).

The Safety and Environmental Health Division is implementing the Injury Illness Prevention Program. This program defines the safety roles of management, supervisors, and employees and how to adhere to safety standards in order to prevent costly work-related injuries.

The Public Liability Division has replaced a twenty-year old claims management system with a claims' management system software (IVOS) recognized as a best practice in the industry. Another great accomplishment has been the reduction of the City's self-insured retention which demonstrates increased confidence in the City's claims management.

The Benefits/Savings Division implemented a new retirement plan and Retiree Medical Trust for employees hired or rehired on or after July 1, 2009 as well as replaced its mainframe benefits systems with the SAP benefits module. In addition, the Employee Self Service (ESS) Open Enrollment module will be completed in the latter half of Fiscal Year 2010 and all benefitted employees will be trained to enroll for their Fiscal Year 2011 benefits via this new web-based service.

The Workers' Compensation Division continues to utilize a State-approved Medical Provider Network (MPN) enhancing cost containment measures which has resulted in reduced pay-go costs and total liability.

# Risk Management

## Department Summary

	FY2010 Budget	FY2011 Proposed	FY2010–2011 Change
Positions	82.25	80.16	(2.09)
Personnel Expenses	6,748,446	7,051,145	302,699
Non-Personnel Expenses	2,351,759	2,616,730	264,971
<b>Total Department Expenses</b>	<b>9,100,205</b>	<b>9,667,875</b>	<b>567,670</b>
<b>Total Department Revenue</b>	<b>7,895,579</b>	<b>8,925,849</b>	<b>1,030,270</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2010 Budget	FY2011 Proposed	FY2010–2011 Change
Risk Management	9,100,205	9,667,875	567,670
<b>Fund Total</b>	<b>9,100,205</b>	<b>9,667,875</b>	<b>567,670</b>

### Department Personnel

	FY2010 Budget	FY2011 Proposed	FY2010–2011 Change
Risk Management	82.25	80.16	(2.09)
<b>Fund Total</b>	<b>82.25</b>	<b>80.16</b>	<b>(2.09)</b>

### Significant Budget Adjustments

	FTE	Expenditure	Revenue
<b>Adjustment to Hourly Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	2.31	93,450	0
<b>Adjustment to Contracts and Equipment Outlay</b> Funding allocated according to a zero-based annual review of contract and equipment outlay requirements.	0.00	150,665	0
<b>Revised Revenue</b> Adjustment to reflect Fiscal Year 2011 revenue projections.	0.00	0	1,030,270
<b>Budget Adjustments Total</b>	<b>2.31</b>	<b>244,115</b>	<b>1,030,270</b>

### Expenditures by Category

	FY2010 Budget	FY2011 Proposed	FY2010–2011 Change
<b>PERSONNEL</b>			
Salaries and Wages	4,374,601	4,201,967	(172,634)
Fringe Benefits	2,373,845	2,849,178	475,333
<b>SUBTOTAL PERSONNEL</b>	<b>6,748,446</b>	<b>7,051,145</b>	<b>302,699</b>
<b>NON-PERSONNEL</b>			
Supplies	76,457	78,237	1,780

# Risk Management

## Expenditures by Category

	FY2010 Budget	FY2011 Proposed	FY2010–2011 Change
Contracts	1,322,733	1,405,257	82,524
Information Technology	854,199	999,642	145,443
Energy and Utilities	25,050	24,933	(117)
Other	72,655	107,996	35,341
Capital Expenditures	665	665	0
<b>SUBTOTAL NON-PERSONNEL</b>	<b>2,351,759</b>	<b>2,616,730</b>	<b>264,971</b>
<b>Total</b>	<b>9,100,205</b>	<b>9,667,875</b>	<b>567,670</b>

## Revenues by Category

	FY2010 Budget	FY2011 Proposed	FY2010–2011 Change
Revenue from Federal Agencies	7,866,177	8,896,447	1,030,270
Charges for Current Services	29,402	29,402	0
<b>Total</b>	<b>7,895,579</b>	<b>8,925,849</b>	<b>1,030,270</b>

## Department Personnel Expenditures

Job Number	Job Title	FY2010 Budget	FY2011 Proposed	Salary Range	Total
20000012	Administrative Aide 1	0.50	0.50	36,962 - 44,533	21,709
20000119	Asoc Mgmt Anlyst	1.00	1.00	54,059 - 65,333	59,594
20000188	Benefits Rep 2	9.00	9.00	32,968 - 39,811	342,493
20000277	Claims Aide	9.00	8.00	36,962 - 44,533	293,975
20000278	Claims Clerk	12.75	12.75	31,491 - 37,918	462,706
20000282	Claims Rep 2	18.50	3.00	52,936 - 64,022	183,414
20000283	Claims Rep 2(Workers Comp)	0.00	8.50	52,936 - 64,022	463,171
20000285	Claims Rep 2(Liability)	0.00	7.00	52,936 - 64,022	430,808
20000293	Info Sys Anlyst 3	1.00	1.00	59,363 - 71,760	71,760
20000357	Supv Claims Rep	4.00	0.00	64,002 - 77,314	0
20000358	Supv Claims Rep(Liability)	0.00	1.00	64,002 - 77,314	77,314
20000359	Supv Claims Rep(Wrks Comp)	0.00	3.00	64,002 - 77,314	229,623
20000382	Employee Assistance Counselor	1.00	0.85	52,936 - 64,022	52,786
20000394	Employee Benefits Specialist 1	2.00	2.00	44,470 - 54,059	96,662
20000411	Employee Assistance Program Manager	1.00	0.75	66,768 - 80,891	60,668
20000539	Clerical Asst 2	3.50	1.50	29,931 - 36,067	0
20000834	Rehab Coord	1.00	1.00	58,261 - 70,429	58,261
20000836	Claims & Ins Mgr	3.00	2.00	73,445 - 88,837	175,009
20000847	Safety Ofcr	2.00	2.00	57,907 - 69,930	136,364
20000854	Safety Rep 2	4.00	4.00	50,461 - 61,027	224,165
20000924	Executive Secretary	1.00	1.00	43,555 - 52,666	51,349

# Risk Management

## Department Personnel Expenditures

Job Number	Job Title	FY2010 Budget	FY2011 Proposed	Salary Range	Total
20000927	Sr Clerk/Typist	1.00	1.00	36,067 - 43,514	0
20000970	Supv Mgmt Anlyst	1.00	1.00	66,768 - 80,891	78,464
20001016	Sr Claims Rep	3.00	0.00	58,261 - 70,429	0
20001017	Sr Claims Rep(Workers Comp)	0.00	3.00	58,261 - 70,429	205,782
20001042	Safety & Train Mgr	1.00	1.00	66,768 - 80,891	78,869
20001122	Risk Management Director	1.00	1.00	31,741 - 173,971	130,224
20001168	Deputy Director	1.00	1.00	46,966 - 172,744	117,000
90000277	Claims Aide NP	0.00	2.31	36,962 - 44,533	85,381
	Exceptional Performance Pay-Classified				4,224
	Bilingual - Regular				10,192
<b>Salaries and Wages Total</b>		<b>82.25</b>	<b>80.16</b>		<b>4,201,967</b>

## Fringe Benefits

Retirement ARC	1,304,343
Supplemental Pension Savings Plan	144,415
Retirement Offset Contribution	108,152
Retirement DROP	15,200
Employee Offset Savings	65,302
Workers' Compensation	58,138
Flexible Benefits	498,739
Risk Management Administration	73,108
Long-Term Disability	38,579
Unemployment Insurance	8,960
Medicare	56,375
Other Post-Employment Benefits	474,009
Unused Sick Leave	3,362
Retirement 401 Plan	397
Retiree Medical Trust	99
<b>Fringe Benefits Total</b>	<b>2,849,178</b>

## Personnel Expenses Total

**7,051,145**

## Department Budget by Program

	FY2011 Positions	FY2011 Expenditures	FY2011 Revenue
Department Management	9.50	1,191,173	0
Employee Assistance Program	1.60	241,320	0

# Risk Management

## Department Budget by Program

	FY2011 Positions	FY2011 Expenditures	FY2011 Revenue
Employee Benefits	14.00	1,176,644	29,402
General Administration/Management	2.31	982,675	8,896,447
Public Liability & Loss Recovery	12.00	1,172,483	0
Safety & Environmental	7.00	778,574	0
Special Events	1.00	96,846	0
Workers' Compensation	32.75	3,225,018	0
IT Non-Discretionary	0.00	803,142	0
<b>Total</b>	<b>80.16</b>	<b>9,667,875</b>	<b>8,925,849</b>

# Risk Management

## Revenue and Expense Statement

	FY2010 Budget	FY2011 Proposed
<b>RISK MANAGEMENT ADMINISTRATION</b>		
<b>BEGINNING BALANCE AND RESERVES</b>		
Balance from Prior Year	2,004,626	742,026
<b>TOTAL BALANCE AND RESERVES</b>	<b>2,004,626</b>	<b>742,026</b>
<b>REVENUE</b>		
Service to the General Fund	7,866,177	8,925,849
Services to Other Funds	29,402	
<b>TOTAL REVENUE</b>	<b>7,895,579</b>	<b>8,925,849</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>9,900,205</b>	<b>9,667,875</b>
<b>OPERATING EXPENSE</b>		
Expenditure description	9,100,205	9,667,875
<b>TOTAL OPERATING EXPENSE</b>	<b>9,100,205</b>	<b>9,667,875</b>
<b>TOTAL EXPENSE</b>	<b>9,100,205</b>	<b>9,667,875</b>
<b>RESERVES</b>		
Contingency Reserve	800,000	
<b>TOTAL RESERVES</b>	<b>800,000</b>	
<b>BALANCE</b>		
<b>TOTAL EXPENSE, RESERVES AND BALANCE</b>	<b>9,900,205</b>	<b>9,667,875</b>

